

4-363A049

No. DEC 23 1984

Date

Fee \$ 10.00

ICC Washington, D.C.

#10

New Number

Agatha Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C.

RECORDATION NO. 14522

DEC 28 1984 -12 22 PM

Dear Ms. Mergenovich:

Enclosed for recordation under the provisions of 49 USC 11303(a) are the original and eight counterparts of a Restated and Amended Equipment Lease dated as of December 20, 1984. This Restated and Amended Equipment Lease is a primary document.

A general description of the railroad cars covered by the enclosed document and intended for use related to interstate commerce is set forth in Schedule 1 attached to this letter and made a part hereof.

The names and addresses of the parties to the Restated and Amended Equipment Lease are as follows:

Lessor: The Bank of New York
48 Wall Street
New York, New York 10015

Lessee: General American Transportation
Corporation
120 So. Riverside Plaza
Chicago, Illinois 60606

The undersigned acted as special counsel in connection with the preparation of the enclosed document and has knowledge of the matters set forth therein.

Please return the original and seven copies of the Restated and Amended Equipment Lease to Larry Elkins, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$50.000 covering the required recording fee.

A short summary of the enclosed primary document to appear in the Index follows:

(GATC No. 84-1)


Restated and Amended Equipment Lease between The Bank of New York, as Lessor, 48 Wall Street, New York, New York 10015, and General American Transportation Corporation, as Lessee, 120 So. Riverside Plaza, Chicago, Illinois 60606, covering ~~458~~⁴⁷⁵ tank cars and ~~49~~ covered hopper cars.

33

Very truly yours,

CHAPMAN AND CUTLER

By


Larry Elkins, P.C.

Enclosures

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers (Both Inclusive)</u>
I. <u>TANK CARS</u>		
23	DOT105J100-W-1 20,000 Gal. Ethylene Oxide	GATX 26360-26382
1	DOT 111A100-W-1 13,550 Gal. Molten Sulfur	GATX 16140
5	DOT 111A100-W-1 10,750 Gal. Latex	GATX 22927-22931
5	DOT 111A100-W-2 13,350 Gal. Sulfuric Acid	GATX 21365-21368 and GATX 21373
18	DOT 111A100-W-2 13,600 Gal. Sulfuric Acid	GATX 21380-21397
5	DOT 111A100-W-1 17,200 Gal. Sorbitol	GATX 15521-15525
10	DOT 111A100-ALW-2 20,000 Gal. Hydrogen Peroxide	GATX 73735-73744
3	DOT 111A100-W-1 29,200 Gal. Methanol	GATX 17840-17842
3	DOT 111A100-W-1 29,200 Gal. Methanol	GATX 17845-17847
23	DOT 111A100-W-1 10,750 Gal. Methyl Methacrylate	GATX 65716-65738

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers (Both Inclusive)</u>
I. <u>TANK CARS</u> (Cont.)		
5	DOT 111A100 -W-1 20,000 Gal. Resin	GATX 16917-16921
24	DOT 111A100-W-1 29,200 Gal. Acrylonitrile	GATX 17816-17839
62	DOT 111A100-W-1 14,150 Gal. Clay Slurry	GATX 22001-22062
9	DOT 111A100-W-1 29,200 Gal. Alcohol	GATX 21104-21112
6	DOT 111A100-W-1 29,200 Gal. Diisobutylene	GATX 21113-21118
20	DOT 111A100-W-1 24,640 Gal. Styrene	GATX 11120-11139
4	DOT 111A100-W-2 13,328 Gal. Sulfuric Acid	GATX 21356-21359
15	DOT 111A100-W-1 13,818 Gal. Plasite Lining Clay Slurry	GATX 23361-23375
50	DOT 111A100-W-3 17,252 Gal. Corn Syrup	GATX 16626-16675
3	DOT 111A100-W-2 13,328 Gal. Sulfuric Acid	GATX 18389-18391

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers (Both Inclusive)</u>
I. <u>TANK CARS</u> (Cont.)		
4	DOT 111A100-W-1 20,580 Gal. Sulfuric Acid	GATX 16784-16787
14	DOT 111A100-1 26,000 Gal. Crude Oil	GATX 17771-17784
5	DOT 111A100-W-1 20,580 Gal. Resins	GATX 16788-16792
4	DOT 111A100-W-1 10,803 Gal. Lithcote Lining Lacquer	GATX 65712-65715
30	DOT 111A100-W-1 13,818 Gal. Talicor Lining Slurry	GATX 22063-22092
3	DOT 111A100-W-1 21,000 Gal. Toluene	GATX 16793-16795
25	DOT 111A100-W-2 13,328 Gal Sulphuric	GATX 18364-18388
60	DOT 111A100-W-1 23,150 Gal. Benzene	GATX 17701-17760
20	DOT 111A100-W-1 26,000 Gal. Naphtha	GATX 17848-17867
5	DOT 111A100-W-1 29,200 Gal. Ethanol	GATX 21248-21252

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers (Both Inclusive)</u>
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I. TANK CARS (Cont.)

5	DOT 111A100-W-1 14,150 Gal. Clay Slurry	GATX 22123-22127
6	DOT 111A100-W-1 10,800 Gal. Caustic Soda	GATX 65706-65711

Total Number
of Cars

475

II. COVERED HOPPERS

28	LO. Airslide 4,566 Cu. Ft. Flour	ATW 56303-56330
5	LO. Airslide 4,566 Cubic Ft. Flour	ATW 56331-56335

Total Number
of Cars

33

Interstate Commerce Commission
Washington, D.C. 20423

12/28/84

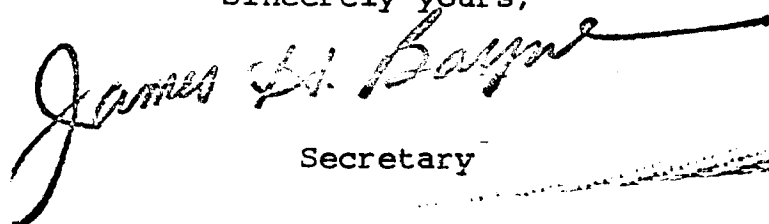
OFFICE OF THE SECRETARY

Larry Ellins, Esq.
Chapman & Cutler
111 West Monroe St.
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/28/84 at 12:20pm and assigned re-recording number(s) 14468-A & 14468-B, 14522 & 14523

Sincerely yours,


Secretary

Enclosure(s)

14522

DEC 26 1984 11 00 PM

PRP170/LOE/757864-a/4-122684
Execution copy

INTERSTATE COMMERCE COMMISSION

RESTATED AND AMENDED EQUIPMENT LEASE

Dated as of December 20, 1984

Between

THE BANK OF NEW YORK

LESSOR

And

GENERAL AMERICAN TRANSPORTATION CORPORATION

LESSEE

(GATC No. 84-1)

This Restated and Amended Equipment Lease and certain of the sums due and to become due hereunder have been assigned to, and are subject to a security interest in favor of, Mercantile-Safe Deposit and Trust Company, as Security Trustee, pursuant to a Security Agreement-Trust Deed dated as of December 20, 1984, from The New York Bank, as debtor, to said Security Trustee.

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EQUIPMENT LEASE

THIS RESTATED AND AMENDED EQUIPMENT LEASE dated as of December 20, 1984 between THE BANK OF NEW YORK, a New York banking corporation (the "Lessor"), and GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (the "Lessee");

R E C I T A L S:

A. The Lessor and the Lessee have heretofore entered into an Equipment Lease dated as of November 2, 1984 and two amendments thereto (as so amended, the "Original Lease") for the purpose of providing for the lease of certain of the Items of Equipment hereinafter described, and certain of such Items have been delivered and accepted thereunder. The Lessor and the Lessee have further entered into an Assignment of Warranties dated as of November 2, 1984 (the "Original Assignment") as contemplated by the Original Lease. The Lessor and the Lessee now desire, in order to continue in effect the lease of such Items of Equipment pursuant to the terms and conditions stated herein and to further provide for the delivery and acceptance and lease hereunder of certain additional Items of Equipment hereinafter described, all of which Items together will constitute the Equipment leased hereunder, to amend and restate in full the terms and provisions of said Lease Agreement, and for such purpose the Lessor and the Lessee are now entering into this Restated and Amended Equipment Lease. The Lessor and the Lessee are likewise concurrently herewith entering into a Restated Assignment of Warranties (the "Assignment of Warranties") providing for the restatement of the Original Assignment.

B. The Lessee entered into various bills of sale providing for the transfer to the Lessor of title to those Items of Equipment delivered and accepted under the Original Lease and will, pursuant to the terms and provisions of the Participation Agreement referred to in Recital C below, enter into one or more bills of sale providing for transfer to the Lessor of title to all remaining Items of Equipment. All such bills of sale are herein referred to as the "Bills of Sale".

C. The Lessee and the Lessor intend to enter into a Participation Agreement dated as of December 20, 1984 (the "Participation Agreement") with Mercantile-Safe Deposit and Trust Company, as security trustee (the "Security Trustee"), and the institutional investors named in Schedule 2 thereto (the "Note Purchasers") providing for the commitment of the Note Purchasers which, together with funds provided by the Lessor, will permit the Lessor to obtain the funds necessary to purchase the equipment (collectively the "Equipment" and individually an "Item of Equipment") described in Schedule A hereto and made a part

hereof. In the case of those Items of Equipment previously delivered and accepted under the Original Lease (the "Original Items"), the Lessor has previously purchased such Items and paid the full Purchase Price therefor. In the case of the Original Items, the proceeds of Notes purchased by the Note Purchasers will be paid to the Lessor to refund 60% of the Purchase Price thereof. The Lessor will commit to advance an amount equal to 40% of the Purchase Price of each Item of Equipment and the Note Purchaser will commit to purchase the 13.875% Secured Notes (the "Notes") of the Lessor in an amount equal to 60% of the Purchase Price of each Item of Equipment. It is contemplated that the Participation Agreement will provide that the Notes will be secured by an assignment of the Lessor's right, title and interest in and to this Lease and any Permitted Subleases (as hereinafter defined) and in and to the Equipment pursuant to a Security Agreement-Trust Deed dated as of December 20, 1984 (the "Security Agreement") from the Lessor to the Security Trustee.

SECTION 1. LEASE AND DELIVERY OF EQUIPMENT.

1.1. Prior Acceptance Under Lease Agreement. In the case of any Original Item of Equipment, all such Items shall be, without further act, deemed to be delivered and accepted hereunder and the provisions of Section 1.4 hereof governing the obligations of the Lessee hereunder shall be applicable to such Items as if a Certificate of Acceptance had been delivered hereunder with respect thereto. On the initial Closing Date, the Lessee shall confirm the identity and Purchase Price of all Original Items of Equipment.

1.2. Intent to Lease. The Lessor shall lease to the Lessee and the Lessee shall lease from the Lessor all Items of Equipment, whether such Item is an Original Item of Equipment or is delivered and accepted pursuant to Section 1.3 hereof, for the rental and on and subject to the terms and conditions herein set forth.

1.3. Inspection and Acceptance. On the Closing Date with respect to any Item of Equipment which is not an Original Item, the Lessee shall cause an inspector (who may be an employee of the Lessee) designated and authorized by the Lessee to inspect the same, and, if such Item of Equipment is found to be in good order and condition in accordance with the requirements of Section 1.4 hereof, the Lessee shall accept such Item of Equipment hereunder by executing and delivering to the Lessor thereof a Certificate of Acceptance (the "Certificate of Acceptance") in the form attached hereto as Schedule B with respect to such Item of Equipment; provided, however, that the Lessee shall not accept and the Lessor shall have no obligation to lease any Item of Equipment delivered after December 31, 1984.

1.4. Certificate of Acceptance. The Lessee's execution and delivery of a Certificate of Acceptance with respect to an Item of Equipment pursuant to Section 1.3 hereof shall conclusively establish that, as between the Lessor and the Lessee, but without limiting or otherwise affecting the Lessee's or the Lessor's rights, if any, against the manufacturer thereof, such Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Item of Equipment is in good order and condition and conforms to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to new railroad equipment of the character of the Equipment as of the date of this Lease. By execution and delivery of such Certificate of Acceptance, the Lessee represents that it has no knowledge of any such defect.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the following rent for each Item of Equipment:

(a) Fixed Rental. For each Item of Equipment, the Lessee shall pay to the Lessor 40 semiannual installments of fixed rental (the "Fixed Rental"), payable in arrears, the first through the twentieth installments, both inclusive, each in an amount equal to 5.006190% of the Purchase Price (as defined in the Participation Agreement) thereof and the twenty-first through the fortieth installments, both inclusive, each in an amount equal to 6.118674% of the Purchase Price thereof; and

(b) Supplemental Rent. As supplemental rent hereunder (the "Supplemental Rent"), the Lessee shall pay to the person entitled to receive the same, an amount equal to all fees and expenses of the Security Trustee and its successors (other than the initial fees and expenses payable by the Lessor pursuant to Section 2.6 of the Participation Agreement) incurred in connection with its services as Secured Party under the Security Agreement and all taxes, if any, in connection with any issuance and sale of the Notes other than taxes on the original issuance and sale thereof which are payable by the Lessor pursuant to Section 2.6 of the Participation Agreement.

2.2. Rent Payment Dates. The first installment of Fixed Rental for each Item of Equipment shall be due and payable six months following January 1, 1985 (the "Term Lease Commencement

Date") and the balance of said installments shall be payable at six month intervals thereafter with the final such installment payable 20 years following the Term Lease Commencement Date. Each payment of Supplemental Rent shall be due and payable on the date on which the related fees and expenses are due and payable. If any of the rent payment dates is not a business day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day" means calendar days, excluding Saturdays, Sundays and holidays on which banks in the States of Illinois, Maryland or New York are authorized or required to close.

2.3. Place and Manner of Rent Payment. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Each installment of Fixed Rental shall be paid to the Lessor by wire transfer to the principal office of the Lessor at the address thereof provided for payments in Section 22.1 hereof; provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such installment shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by wire transfer to the place designated in such notice or as otherwise designated from time to time in writing by such assignee; and provided further that in the event such notice shall direct the Lessee to divide such installment into not more than two portions and to pay each portion by wire transfer separately to not more than two parties, the Lessee agrees to do so;

(b) The entire amount of any payment of Casualty Value pursuant to Section 11 hereof or Early Termination Value or Optional Termination Value pursuant to Section 19 hereof shall be paid to the Lessor by wire transfer to the principal office of the Lessor at the address thereof provided for payments in Section 22.1 hereof (identifying the same as a payment of Casualty Value, Early Termination Value or Optional Termination Value, as the case may be, relating to GATC No. 84-1); provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such Casualty Value, Early Termination Value or Optional Termination Value shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such wire transfer in the manner designated in such notice or as otherwise designated from time to time in writing by such assignee;

(c) The amount of any payment owing to the Lessor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 22.2 hereof shall be made

- directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 16 hereof;

(d) The amount of any interest due in respect of the late payment of any rentals or other amounts pursuant to Section 19 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(e) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or its assignee, in which case the Lessee shall reimburse the Lessor or its assignee, as the case may be, directly for such payment.

The Lessee agrees that it will make all reasonable efforts to cause those payments due hereunder by wire transfer where specified above to be so wired as soon as practicable after the opening of business in Chicago, Illinois on the due date of such payment of Federal or otherwise immediately available funds to the party to whom such payment is to be made, and where not so specified, such payment shall be made by check of the Lessee drawn on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or at such other address as the Lessee shall have been previously advised in writing.

2.4. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Fixed Rental, Supplemental Rent and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of or requisitioning of all or any Item of Equipment by condemnation or otherwise, the prohibition of Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, the insolvency of the Lessee, the commencement of any proceeding by or against the Lessee for relief under any bankruptcy or similar law for the relief of debtors, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by

the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment has been returned to the possession of the Lessor (for all purposes of this Lease any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Items of Equipment except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor or any assignee pursuant to Section 16 hereof for any reason whatsoever.

2.5. Adjustment of Rentals. The installments of Fixed Rental and the Casualty Value, Early Termination Value and Optional Termination Value tables attached hereto as Schedules D, E and F, respectively, have been calculated on the assumptions that:

(i) Items of Equipment (including Original Items) having a Purchase Price equal to the following percentages of the aggregate Purchase Price of Equipment shall have been or shall be delivered and accepted and settled for pursuant to the Participation Agreement on the following dates:

<u>Delivery and Closing Dates</u>	<u>Percentage of Aggregate Purchase Price</u>
December 15, 1984	100%

(ii) No change in any tax law, regulation or tax rate shall be enacted and become effective prior to the Term Lease Commencement Date which alters or eliminates any of the Tax Benefits (as defined in Section 7 of the Participation Agreement);

(iii) The Notes bear interest at 13.875% per annum computed on the basis of a 360-day year of twelve 30-day months, and payments of principal and interest on the Notes will be made semiannually;

(iv) The aggregate of all fees and expenses listed in Section 2.6 of the Participation Agreement equal 0.50% of the Purchase Price of the Equipment;

(v) The Lenders have fully funded the amount they are required to fund on each Closing Date; and

(vi) Items of Equipment (including Original Items) will be eligible for full investment tax credit to the Lessor in the same manner and in the same amounts as originally contemplated by the Lessor in making such calculations.

If any such assumption shall prove to be incorrect, then the Lessor acting in good faith shall, prior to the first payment of Fixed Rental, recompute such installments of Fixed Rental and the Casualty Value, Early Termination Value and Optional Termination Value tables higher or lower in order to provide the Lessor with the same nominal after-tax yield and cash flow as originally contemplated by the Lessor in entering into this Lease; provided, that such adjustments shall comply with the Guidelines (as hereinafter defined) and any other published or announced position of the Internal Revenue Service; and provided, further, that each installment of Fixed Rental shall be in an amount sufficient to pay on each installment date the principal of, and interest on, the Notes due on such date without acceleration, and the Casualty Value, Early Termination Value and Optional Termination Date as of any date shall be sufficient to pay the aggregate unpaid principal amount of, and interest and premium, if any, on, the Notes outstanding as of such date. Such recomputation shall be based upon the assumptions and methods of calculation utilized by the Lessor in computing the amounts thereof originally set forth in this Lease. On or before the first payment of Fixed Rental, the Lessor and the Lessee shall execute and deliver a Lease Supplement, substantially in the form of Schedule C hereto, reflecting any revisions to the percentages set forth in Section 2.1(b) hereof and to Schedules D, E and F hereof. The term "Guidelines" as used herein shall mean the guidelines set forth in Revenue Procedure 75-21, 1975-1 C.B. 715, as further set forth in Revenue Procedure 75-28, 1975-1 C.B. 752, and as modified in Revenue Procedure 76-30, 1976-2 C.B. 647 and Revenue Procedure 79-48, 1979-2 C.B. 529 that are applied by the Internal Revenue Service in determining, for advance ruling purposes, whether leveraged lease transactions (other than transactions which are treated as leases pursuant to Section 168(f)(8) of the Code) are leases for Federal income tax purposes.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on the date of the delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Sections 11, 14 and 19 hereof, shall terminate 20 years following the Term Lease Commencement Date.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1. Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal

title to the Equipment notwithstanding the delivery thereof to and possession and use thereof by the Lessee or any Sublessee under any Permitted Sublease.

4.2. Duty to Number and Mark Equipment. The Lessee will cause each Item of Equipment to be kept numbered with its identifying number as set forth in Schedule A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"TITLE TO THIS CAR IS VESTED IN A TRUSTEE
UNDER AN EQUIPMENT TRUST AGREEMENT RECORDED
UNDER SECTION 11303 (FORMERLY 20C) OF THE
INTERSTATE COMMERCE ACT OR VESTED IN ANOTHER
PERSON OR ENTITY AND SO RECORDED."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will replace promptly any such names and word or words which may be removed, obliterated, defaced or destroyed. The Lessee will not change the identifying number of any Item of Equipment unless and until (i) a statement of new identifying numbers to be substituted therefor shall have been delivered to the Lessor and the Security Trustee by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited and (ii) the Lessee shall have furnished the Security Trustee and the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Security Trustee's and the Lessor's interests in such Equipment and no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect the interests of the Security Trustee and the Lessor in such Equipment while operating in any jurisdiction wherein the Security Agreement or any instrument in respect thereof has been or is required to be filed, registered, deposited or recorded as provided in the Security Agreement. The Lessor agrees to execute all amendments hereto necessary to accomplish such filings, recordings and deposits.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates or any sublessees under Permitted Subleases on railroad equipment used by any of

them of the same or a similar type for convenience of identification of the right of the Lessee to use the Equipment under this Lease or of any sublessee to use the Equipment under any Permitted Sublease.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE EQUIPMENT, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY THE LESSOR, AND THE LESSOR EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the manufacturer thereof, provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Item of Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Item of Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Item of Equipment. In the case of all Original Items of Equipment the Lessee hereby reconfirms that, and in the case of all other Items of Equipment, the Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that all Items of Equipment described therein are, in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters as to any Original Item or any other Item.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchasers) and their respective successors and assigns from and against:

(a) any and all loss or damage to the Equipment, usual wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them relating to any Item of Equipment or any part thereof, including, without limitation, (i) the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of any Item of Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) arising out of this Agreement, the Participation Agreement, the Bills of Sale or the Assignment of Warranties, (iv) as a result of claims for patent, trademark or copyright infringements, (v) as a result of claims for negligence or strict liability in tort, or (vi) any violation of any other agreement, or any law, rule, regulation, ordinance or restriction affecting or applicable to the Equipment or the leasing, ownership, use, replacement, adaption or maintenance thereof.

The indemnities and assumptions of liabilities set forth in this Section 6.1 do not guarantee to any party at any time a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

6.2. Continuation of Indemnities and Assumptions. The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i), (ii), (v) or (vi) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in

connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Section 13 or 15, as the case may be, and except for any such matters attributable to any action, inaction, event or condition occurring or existing before the return of the Equipment to the possession of the Lessor as provided in Section 13 or 15 hereof, as the case may be. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of such claim or liability.

In the event the Lessee is required to make any payment under this Section 6.1., the Lessee shall pay such Indemnitee an amount which, after deduction of all taxes required to be paid by such Indemnitee in respect of the receipt or accrual thereof under the laws of the United States or of any political subdivision thereof, calculated at the maximum applicable marginal statutory rates then in effect, shall be equal to the amount of such payment.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time) (the "Interchange Rules") with respect to the use and maintenance of each Item of Equipment subject to this Lease. In case any equipment or appliance is required to be altered, added, replaced or modified (the "Alterations") on any Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such Alterations at its own expense and title thereto shall be immediately vested in the Lessor.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange in accordance with federal regulations and the Interchange Rules and in conformance with any requirements pertaining to warranties of the Manufacturer or insurance policies maintained pursuant to Section 11.1 hereof. Except as required by the provisions of Section 7 hereof, the Lessee shall not modify any Item of Equipment in any manner which will decrease the value or marketability of such Item of Equipment. Any parts installed or replacements made by the Lessee upon any Item of Equipment

pursuant to Section 7 hereof or pursuant to its obligation to maintain and keep the Equipment in good order, condition and repair under this Section 8 shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor without cost or expense to the Lessor. Title to any additions or improvements other than those referred to in the preceding sentence which are readily removable without causing material damage to such Item of Equipment shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to any Item of Equipment, the Lessee agrees that it will, prior to the return of such Item of Equipment to the Lessor hereunder, remove the same at its own expense without causing material damage to such Item of Equipment. In the event the Lessee shall cause to be made any alterations, additions or improvements to any Item of Equipment which, in the Lessee's reasonable judgment, might be deemed to have income tax consequences to the Lessor, the Lessee will promptly notify the Lessor of such alteration, addition or improvement.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon any Item of Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease and any other liens or charges which arise by virtue of claims against, through or under any other party other than the Lessor, but the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor or the security interest or other rights of any assignee under Section 16 hereof in and to the Equipment. The Lessee's obligations under this Section 9 shall survive the termination of this Lease.

SECTION 10. FILING; PAYMENT OF STATE AND LOCAL TAXES.

10.1. Filing. Prior to the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will cause this Lease and the Security Agreement to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and in such other places within or without the United States as the Lessor or the Security Trustee may reasonably request and will furnish the Lessor and the Security Trustee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute,

acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Security Trustee (including, without limitation, all such acts required pursuant to Sections 6.10 and 6.11 of the Security Agreement), for the purpose of protecting the Lessor title to, or the Security Trustee's security interest in, any Item of Equipment to the satisfaction of the Lessor or the Security Trustee or their respective counsel or for the purpose of carrying out the intentions of this Lease, and in connection with any such action, will deliver to the Lessor and the Security Trustee proof of such filings and an opinion of the Lessee's counsel reasonably satisfactory to the Lessor and the Security Trustee that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action.

10.2. Payment of State and Local Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchasers) and their respective successors and assigns (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to any Impositions as hereinafter defined. As used in this Section 10.2 "Impositions" shall mean the amount of any local, state, Federal or foreign taxes, assessments or license fees and any charges, fines or penalties in connection therewith which are imposed on or measured by this Lease or the receipt of sums pursuant hereto or any sale, rental, use, payment, shipment, delivery or transfer of title in respect of the Equipment under the terms hereof, the Participation Agreement, the Assignment of Warranties, the Bills of Sale or of the Security Agreement; provided that Impositions shall not include as to each respective Indemnatee: (i) in the case of the Lessor, except to the extent necessary in the case of any payments required to be made on an after tax basis, (x) Federal, New York State and New York City taxes on or measured by the net income of Lessor, (y) other state and local taxes on or measured by the income of Lessor except any such other taxes which, but for the participation of Lessor in the transactions contemplated by this Lease and the Participation Agreement, would not have been imposed on Lessor (but only to the extent that the Lessor does not realize credit therefor in the year when paid or accrued against its New York State and New York City income tax liability) and (z) foreign taxes to the extent that the Lessor realizes credit therefor in the year when paid or accrued against its United States Federal income tax liability, and (ii) in the case of each other Indemnatee, except to the extent necessary in the case of any payments required to be made on an after tax basis, (x) state, local and United States Federal income tax liability and, to the extent that any respective Indemnatee receives credit therefor

against its United States Federal income tax liability, any foreign income tax of such Indemnatee, payable by any respective Indemnatee in consequence of the receipt of payments provided herein, and (y) the aggregate of all franchise taxes measured by net income based on such receipts, except any such other taxes which, but for the participation of such Indemnatee in the transaction contemplated by this Lease and the Participation Agreement, would not have been imposed on such Indemnatee (but only to the extent that such Indemnatee does not realize credit therefor in the year when paid or accrued against its income and franchise taxes which would be payable to the state and city in which such Indemnatee has its principal place of business without apportionment to any other state) except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided. The Lessee agrees to pay, on demand, any and all Impositions. The Lessee will also pay promptly all Impositions which may be imposed upon any Item of Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon any Indemnatee solely by reason of its interest with respect thereto and will keep at all times all and every part of such Item of Equipment free and clear of all Impositions which might in any way affect the interest of any Indemnatee therein or result in a lien upon any such Item of Equipment; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Indemnatee, adversely affect the interest of any Indemnatee hereunder or under the Security Agreement. If any Impositions shall have been charged or levied against any Indemnatee directly and paid by such Indemnatee after such Indemnatee shall have given written notice thereof to the Lessee and the same shall have remained unpaid for a period of ten business days thereafter, the Lessee shall reimburse such Indemnatee on presentation of invoice therefor. Prior to making such payment, such Indemnatee shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Equipment, the Lessee will either prepare and file such reports in such manner as to show as required the interests of each Indemnatee in such Items of Equipment or, if it shall not be permitted to file the same, it will notify each Indemnatee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnatee and deliver the same to each Indemnatee within a reasonable period prior to the date the same is to be filed.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

Any payment required to be made by Lessee hereunder shall include an amount equal to all taxes (calculated at the highest applicable marginal statutory rates then in effect payable by the Indemnatee) required to be paid by the Indemnatee on the receipt or accrual thereof.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Insurance. The Lessee will at all times after delivery and acceptance of each Item of Equipment, at its own expense, keep or cause to be kept each such Item insured by a reputable insurance company or companies in amounts and against risks (including comprehensive general public liability insurance) and with deductibles and terms and conditions not less than the insurance, if any, maintained by the Lessee with respect to similar equipment which it owns or leases, but in no event shall such coverage be for amounts or against risks less than the prudent industry standard. Without limiting the foregoing, the Lessee will:

(a) keep each Item of Equipment fully insured against casualty in an amount not less than the Casualty Value attributable to such Item of Equipment as shown on Schedule D hereto, provided that such coverage may provide for deductible amounts of not more than \$100,000 per occurrence. The policies of insurance covering the Equipment shall provide that (i) loss, if any, thereunder shall be payable to the Lessor, any assignee thereof pursuant to Section 16 hereof and the Lessee as their interests shall appear; provided that in the event any such insurance shall be in effect with respect to the Equipment prior to the payment in full of all principal of, premium, if any, and interest on the Notes, all payments thereunder shall be made to the Security Trustee under a standard mortgage loss payable clause, and (ii) so long as no Event of Default shall have occurred and be continuing, loss, if any, thereunder shall be adjusted with the insurer by the Lessee, subject to approval by the Lessor and the Security Trustee if the loss from any one occurrence equals or exceeds \$500,000; and

(b) maintain general public liability insurance against bodily injury, death or property damage arising

out of the use or operation of the Equipment with general liability limits of not less than \$50,000,000 per occurrence or in the aggregate, provided that such coverage may provide for deductible amounts not exceeding the lesser of (i) \$2,500,000, or (ii) 5% of the book value of the rail car fleet of the Lessee. Such policies shall insure the Lessor and the Security Trustee regardless of any breach or violation of any warranty, declaration or condition therein contained in such policy by the Lessee or any other person (other than the Lessor and the Security Trustee, but only in respect of their respective coverages).

The Lessee may self-insure with respect to the Equipment for such amounts and against such risks as shall be consented to by the Lessor and the Security Trustee, which consent shall not be unreasonably withheld. All proceeds of insurance received by any party other than the Lessee with respect to any Items of Equipment not suffering a Casualty Occurrence (as hereinafter defined) shall be paid thereby to the Lessee upon reasonable proof that any damage to any Item with respect to which such proceeds were paid has been fully repaired. Any such proceeds of insurance received by any party with respect to a Casualty Occurrence shall be credited thereby toward the payment required by this Section 11 with respect to such Casualty Occurrence.

No policy maintained pursuant to this Section 11.1 shall invalidate the coverage thereof due to any action or inaction of the Lessee or any other person (other than the Lessor or the Security Trustee, but only in respect of their respective coverages). The Lessee shall furnish the Lessor with certificates or other satisfactory evidence of maintenance of the insurance required hereunder or with a certificate of Marsh & McLennan or other reputable insurance agents not affiliated with the Lessee stating that the insurance maintained by the Lessee complies with the requirements of this Section, and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal at least five days prior to the expiration date of the original policy or policies. All such policies shall provide that the same shall not be cancelled or materially changed without at least 30 days' prior written notice to the Lessor and the Security Trustee.

11.2. Duty of Lessee to Notify Lessor. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged during the term of this Lease or thereafter while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease for a stated period which exceeds the then remaining term of this Lease (any such occurrence

being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) in regard thereto and shall pay the Casualty Value (as defined in Section 11.6 hereof) of such Item in accordance with the terms of Section 11.3 hereof.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its notice of a Casualty Occurrence with respect to any Item or Items of Equipment, or within 30 days after such notice in respect of any Casualty Occurrence after the expiration of the term of this Lease while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, shall pay to the Lessor the Fixed Rental installment, if any, due on such payment date for such Item of Equipment plus any rentals or other sums due on or prior to such date then remaining unpaid plus a sum equal to the Casualty Value of such Item of Equipment as of the date of such payment.

11.4. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 hereof in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment.

11.5. Disposition of Equipment. The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment having suffered a Casualty Occurrence as soon as it is able to do so for the fair market value thereof. Any such disposition shall be on an "as-is", "where-is" basis without representation or warranty, express or implied. As to each separate Item of Equipment so disposed of, so long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing, the Lessee may retain all amounts arising from such disposition plus any insurance proceeds and damages received by the Lessee by reason of such Casualty Occurrence up to the amount of the Casualty Value attributable thereto which the Lessee has previously paid to the Lessor pursuant to Section 11.3 hereof and in addition may retain the excess, if any, of such amounts over such Casualty Value. In disposing of such Item of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item of Equipment.

11.6. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the

date of the Casualty Occurrence) equal to that percentage of the Purchase Price (as defined in the Participation Agreement) of such Item of Equipment set forth in the Schedule of Casualty Value attached hereto as Schedule D opposite such date of payment.

11.7. Risk of Loss. The Lessee shall bear the risk of loss and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Casualty Value and all rental installments and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof.

11.8. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay all installments of rental and other sums shall continue for the duration of such requisitioning or taking. So long as no Event of Default, or event which with the lapse of time or giving of notice, or both, shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. On or before May 1, 1985 and on each May 1 thereafter during the term of this Lease, the Lessee will furnish to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and each Note Purchaser) an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the 12 months ending on such December 31 (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and each Note Purchaser) each shall have the right, at their respective sole cost and expense, by their respective authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Equipment during the continuance of this Lease.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon the expiration of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor upon such storage tracks of the Lessee as the Lessee may select, and permit the Lessor to store such Item of Equipment on such tracks for a period not exceeding 90 days and transport the same at any time within such 90-day period to any place within the continental United States on any railroad lines or to any connecting carrier for shipment, all as directed by the Lessor upon not less than 15 days' written notice to the Lessee. All movement and storage of each such Item is to be at the risk and expense of the Lessee, and the Lessee agrees to maintain the insurance on such item required by Section 11.1 hereof during such storage period. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Item, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. All amounts earned in respect of the Equipment after the date of expiration of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Item of Equipment is not assembled, delivered and stored as hereinabove provided within 15 days after the expiration of this Lease, the Lessee shall, in addition, pay to the Lessor for each day from and after the expiration date of the Lease an amount equal to the amount, if any, by which the higher of (i) an amount equal to the daily equivalent of the rental in effect immediately prior to the expiration of the Lease for such Item of Equipment, or (ii) the Fair Rental Value (determined in the manner provided in Section 14.2 hereof) for such Item for each such day exceeds the amount, if any, received by the Lessor (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence. Each Item returned to the Lessor pursuant to this

Section 13 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear expected, (ii) meet the standards then in effect for railroad equipment of the same type and age as the Equipment under the Interchange Rules and/or the applicable rules of any governmental agency or other organization with jurisdiction, (iii) have been maintained in accordance with provisions of Section 8 hereof and (iv) have attached or affixed thereto any special device considered an accession thereto as provided in Section 7 or 8 hereof and have removed therefrom any such device not so considered an accession. During any such storage period the Lessee, at its expense, shall maintain the Equipment in such manner as the Lessee normally maintains similar units of railroad equipment owned or leased by it in similar storage circumstances, which maintenance shall in no event be to a standard lower than that required by industry standards. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so assemble, deliver, store and transport the Equipment.

SECTION 14. DEFAULT.

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the rental, Casualty Value, Early Termination Value, Optional Termination Value or Fair Market Value provided in Section 2, 11 or 19 hereof and such default shall continue for 5 business days;

(b) The Lessee shall make or permit any assignment or transfer of this Lease, or of possession of the Equipment or any portion thereof, not permitted by this Lease;

(c) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 30 days after written notice from the Lessor to the Lessee, specifying the default and demanding the same to be remedied;

(d) Any representation or warranty made by the Lessee herein or in the Participation Agreement or the Purchase Agreement or in any statement or certificate furnished to the Lessor, the Security Trustee or any Note Purchaser pursuant to or in connection with this Lease, the Participation Agreement or the Purchase Agreement is

untrue in any material respect as of the date of issuance or making thereof;

(e) The Lessee becomes insolvent or fails generally to pay its debts as such debts become due, or causes an order for relief to be entered against it, or acquiesces in the entering of such an order against it, under applicable federal or state bankruptcy law, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for the Debtor or for the major part of its property;

(f) A custodian, trustee or receiver is appointed for the Lessee or for the major part of its property and is not discharged within 60 days after such appointment; or

(g) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Lessee and, if instituted against the Lessee, are consented to or are not dismissed within 60 days after such institution.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; and/or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any of the Items of Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Lessor shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the

numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Item of Equipment which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then Fair Rental Value of such Item for such period computed by discounting from the end of such term to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of such Item during such period, such present worth to be computed in each case on a basis of an 8% per annum discount, compounded semiannual from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess if any of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the amount the Lessor reasonably estimates to be the Fair Market Value thereof at such time; provided, however, that in the event the Lessor shall have sold any Item of Equipment, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages and expenses, other than for a failure to pay rental, in addition thereto, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental.

For purposes of Section 14.2 above, the Fair Rental Value and Fair Market Value for any Item of Equipment shall be determined in the manner provided for appraisal arrangements specified below; provided that any sale in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Market Value of such Item and any rental in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Rental Value of such Item.

The Fair Rental Value or Fair Market Value, as the case may be, of the Items of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be, (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment within 20 days after receipt by Lessee of written notice setting forth the method to be used to calculate damages pursuant to Section 14.2(b), such value shall be determined in accordance with the foregoing definition by a qualified, independent Appraiser. The term "Appraiser" shall mean any independent, nationally recognized appraiser chosen by the Lessor. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

14.4. Lessor's Failure to Exercise Rights. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor, the Security Trustee and each Note Purchaser, promptly upon any officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Equipment upon such storage tracks of the Lessee or any of its affiliates or, at the expense of the Lessee, on any other storage tracks, as the Lessor may designate or, in the absence of such designation, as the Lessee may select;

(b) Permit the Lessor to store such Equipment on such tracks without charge for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by the Lessor and during such period of storage the Lessee shall continue to maintain all insurance required by Section 11.1 hereof; and

(c) Transport the Equipment to any place on any lines of railroad or to any connecting carrier for shipment, all as the Lessor may direct in writing.

All amounts earned in respect of the Equipment after the date of termination of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall be paid to the Lessor or in the event this Lease has been assigned pursuant to Section 16 hereof, to such assignee, and, if received by the Lessee, shall be promptly turned over to the Lessor, or in the case of such assignment, to such assignee. In the event any Item of Equipment is not assembled, delivered and stored as hereinabove provided within 15 days after the termination of this Lease, the Lessee shall, in addition, pay to the Lessor or, in the case of such assignment, to such assignee for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to the daily equivalent of the rental in effect immediately prior to the expiration of the Lease for such Item of Equipment, or (ii) 125% of the Fair Rental Value (determined in the manner provided in Section 14.2 hereof) for such Item of Equipment for each such day exceeds the amount, if any, received by the Lessor or such assignee (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor

shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to the Lessor, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Item.

SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of any such assignee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever whether by reason of failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (ii) said assignee shall, if an Event of Default shall have occurred and be continuing, have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor including, without limitation, the right to proceed pursuant to Section 14.2 hereof (except those rights, privileges and remedies relating to amounts payable to the Lessor pursuant to Sections 6, 10.2, 11.1 [with respect to public liability insurance] and 22.2 hereof which shall remain enforceable by the Lessor pursuant to Section 14.2 (a) only), but if no

Event of Default shall have occurred and be continuing, said assignee and the Lessor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and notwithstanding the occurrence of such an Event of Default, the Lessor, the Security Trustee and the Note Purchasers shall each receive all notices and reports to be provided by the Lessee hereunder or under the other Operative Agreements and (iii) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums due and to become due hereunder shall by the express terms granting and conveying the same be subject to the interest of the Lessee in and to the Equipment.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment; provided that the Lessee may assign its rights and/or obligations hereunder to any corporation controlled by, controlling or under common control with the Lessee, provided that if any such assignee fails to perform any of the agreements or covenants of the Lessee set forth herein, Lessee shall immediately and without further act of any party assume all of the responsibility for the performance and observance of every agreement and covenant of Lessee set forth herein, it being understood and agreed that in the event of any such failure Lessee's obligations hereunder shall at all times remain those of a principal and not a surety. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. Use and Possession by Lessee; Permitted Subleases. So long as no Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute such Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment. The Lessee shall also be entitled so long as it shall not then be in default under this Lease, to sublease the Equipment to, or to permit its use under the term of car contracts by, (i) a railroad company or companies incorporated in the United States of America, or any State thereof or District of Columbia or Canada or

any Province thereof, upon lines of railroad owned or operated by such railroad company or companies or over which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic or (ii) to responsible creditworthy companies other than railroad companies for use in their business (leases to such sublessees being herein referred to as "Permitted Subleases"); provided, however, that the Lessee shall not assign or permit the assignment of any Item of Equipment to service (including, without limitation, the regular operation and maintenance thereof) in any location which is not a Perfected Jurisdiction. For the purposes of this Section 17.2, a sublease of any Item to the Canadian National Railroad or the Canadian Pacific Railroad shall mean that such Item has been assigned to service in Canada, a sublease to a provincial railroad shall mean that such Item has been assigned to service in such Province and a Perfected Jurisdiction shall mean the United States and any Canadian or Mexican jurisdiction with respect to which all instruments required by the laws of any such jurisdiction have been executed, acknowledged, delivered, filed, registered and recorded as required (in the case of Mexico, to the best knowledge of the counsel delivering the opinion hereinafter referred to) by the laws of that jurisdiction to protect the rights of the Lessor and the Security Trustee under this Lease and the Security Agreement as evidenced by an opinion of counsel reasonably satisfactory to the Lessor, each Note Purchaser so long as it shall continue to be a holder of Notes, and the Security Trustee; provided that no more than 10% of the Items of Equipment shall be assigned to service outside the continental United States at the same time. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety.

17.3. Merger, Consolidation or Acquisition of Lessee. Nothing in this Section 17 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any solvent corporation organized under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the property of the Lessee, provided that (i) immediately prior and after giving effect to any such merger, consolidation or acquisition, no Event of Default, or event which with notice or the passage of time, or both, would become an Event of Default, shall have occurred and be continuing, (ii) such assignees, successors or transferees shall have duly assumed the obligations of the Lessee hereunder and under the Participation Agreement and the Tax Indemnity Agreement pursuant to an agreement in all respects satisfactory to the Lessor and the Security Trustee and (iii) immediately after giving effect to such merger, consolidation or acquisition and the assumption of such obligations (a) the corporation which is to be the surviving or acquiring corporation shall, if the surviving or acquiring

corporation is other than the Lessee, have a consolidated net worth (determined in accordance with generally accepted accounting principles) not less than the consolidated net worth of Lessee immediately prior to such merger, consolidation or acquisition and (b) such merger, consolidation or acquisition shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a guarantor.

The Lessee will preserve and keep in full force and effect its corporate existence, rights and franchises and all licenses and permits necessary to the performance of its obligations hereunder, except as otherwise provided in the preceding paragraph.

SECTION 18. PURCHASE OPTIONS; RENEWAL OPTIONS.

18.1. Purchase Option. Provided that no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall have the right to purchase all but not less than all of the Items of Equipment then leased hereunder at the expiration of the term hereof at a price equal to, in the case of all Items of Equipment designed for use as a TankTrain® system, the lesser of the Fair Market Value or 58.07% of the Purchase Price of such Items, and in the case of all other Items of Equipment, the Fair Market Value thereof. The Lessee shall give the Lessor written notice not less than six months nor more than nine months prior to the end of the term of this Lease of its election to exercise the purchase option provided for in this Section, which notice shall be irrevocable. Payment of the option price shall be made at the place of payment specified in Section 2.3 hereof in funds there current against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment and containing a warranty against any liens and encumbrances on the Equipment arising by, through or under the Lessor as a result of any act of or claim against the Lessor not related to or connected with the ownership, leasing, use or operation of the Equipment or any transaction contemplated by the Operative Agreements (as defined in the Participation Agreement). The Lessor shall not be required to make any other representation or warranty as to the condition of the Equipment or any other matters, and may specifically disclaim any such representations or warranties.

18.2. Renewal Options. Provided that no Event of Default, or any event which with the lapse of time or the giving of notice, or both, which constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall have one or more renewal options as to all, but not less than all of the Items of Equipment then leased hereunder, determined as follows:

(a) the Lessee shall give the Lessor written notice not less than six months nor more than nine months prior to the end of the Lease term or renewal term, as the case may be, of its election to exercise the renewal option provided for in this section, which notice shall be irrevocable, with the renewal term and/or terms to be determined and selected as hereinafter provided and each semiannual installment of Fixed Rental payable during any such renewal term to be in an amount equal to the lesser of the Fair Rental Value or 50% of the average of the semiannual Fixed Rental installments payable hereunder during the 20 year period following the Term Lease Commencement Date for all such Items of Equipment;

(b) promptly following receipt of Lessee's written election to renew the Lease given pursuant to clause (a), the Lessor shall choose an independent appraiser for the purpose of determining the then remaining estimated useful life, the uninflated residual value and the Fair Rental Value of the Equipment and shall notify the Lessee in writing of its selection. If for any reason the Lessee does not agree that such appraiser may act as the sole appraiser for purposes of this Section 18, it shall within ten days thereafter designate in writing to the Lessor a second qualified independent appraiser and such appraisers shall mutually agree upon a third qualified independent appraiser. If such appraisers cannot agree on such third appraiser within 20 days, then the American Arbitration Association shall promptly designate a third appraiser. Such party or parties so chosen to act as the appraiser for purposes of this Section 18 is hereinafter referred to as the "Appraiser" and the expenses and fees thereof shall be borne by the Lessee;

(c) promptly following the selection of the Appraiser, and in any event not less than ninety (90) days prior to the end of the Lease term, or renewal term, as the case may be, the Appraiser shall determine the then remaining estimated useful life of the Equipment as of the end of the Lease term or renewal term, as the case may be, the uninflated residual value thereof and the Fair Rental Value thereof;

(d) each renewal term shall be for a period which when added to the Lease term, all prior expired renewal terms and the then current expiring renewal term does not exceed 80% of the estimated useful life of the Equipment or result at the expiration of such proposed renewal term in the Equipment having an uninflated residual value less than 20% of the Purchase Price of the Equipment, all as determined by the Appraiser as of the end of the Lease term or renewal term, as the case may be, pursuant to clause (c) above. Each renewal term shall be for a one year period or a multiple thereof;

(e) the Casualty Value payable during any renewal term in respect of any Item of Equipment suffering a Casualty Loss shall be an amount equal to the higher of the Fair Market Value of such Item as of the beginning of such renewal term or 20% of the Purchase Price of such Item; and

(f) each renewal term shall commence immediately upon the expiration of the preceding term.

18.3. Determination of Fair Rental Value and Fair Market Value. For purposes of Section 18 hereof, the Fair Rental Value or Fair Market Value for any Item of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment within 120 days of the end of the original Lease term, such value shall be determined in accordance with the foregoing definition by the Appraiser as determined pursuant to Section 18.2 hereof, or if within 120 days of a renewal term, by any independent appraiser mutually agreed upon by the Lessor and the Lessee or if no such mutual agreement is reached within 15 days, two independent appraisers, one chosen by the Lessor and one chosen by the Lessee, or, if such appraisers cannot agree on the amount of such value within 15 days of appointment, an independent appraiser to be chosen by the American Arbitration Association promptly thereafter. Such appraiser or appraisers shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of all such appraisers shall be borne by the Lessee.

18.4. Delivery of Equipment. Unless the Lessee has elected to purchase the Items of Equipment then leased hereunder as provided in this Section 18, all of such Items of Equipment shall be returned to the Lessor at the end of the original or then applicable renewal term in accordance with Section 13 hereof.

SECTION 19. EARLY TERMINATION; OPTIONAL TERMINATION.

19.1. Early Termination. So long as the Lessee shall not be in default under this Lease, the Lessee may, upon not less than 180 days' prior written notice to the Lessor, terminate this Lease with respect to all, but not less than all, of the Items of Equipment contained in any basic group identified as such in

Schedule A hereto as of January 1, 1998 or as of any succeeding rent payment date during the Lease term hereof (but not during any renewal term) if such Items of Equipment, in the good faith judgment of the Lessee as approved by its Board of Directors, shall have become obsolete or surplus to the needs of the Lessee in the conduct of its business. Such written notice shall designate the date on which termination is to become effective and shall be accompanied by a certified copy of the resolutions of the Board of Directors approving such determination and by a Certificate of the President or a Vice President of the Lessee setting forth the determination that such Items of Equipment have become obsolete or surplus to the needs of the Lessee and a statement in reasonable detail of the basis for such determination and further certifying that the Lessee will make all reasonable effort to dispose of all equipment similar to such Items of Equipment within a two-year period following such termination date. For the purposes of this Section 19.1, interest rates payable by the Lessee on its indebtedness for borrowed money or finance charges payable by the Lessee in connection with the acquisition of its equipment under conditional sale contracts, leases or other arrangements for deferred payment shall be disregarded in the determination of any right of termination provided in this Section 19.1. Following the giving of such notice, the Lessee shall use its best efforts at the Lessee's sole expense to obtain bids for the purchase of such Items of Equipment from persons not affiliated with the Lessee, provided that no bids shall be accepted after the date which is 60 days prior to the date on which termination is to become effective. The Lessee shall certify to the Lessor in writing the amount of each bid so received and the name and address of the party submitting such bid promptly upon receipt thereof. The Lessor may obtain bids, but shall be under no duty to solicit bids, inquire into the efforts of the Lessee to obtain bids or otherwise take any action in connection with arranging such sale.

The Lessor shall accept the highest bid for such Items of Equipment obtained by the Lessee or the Lessor within the 120 days following the Lessee's written notice to the Lessor. On the termination date indicated in such notice, the Lessee shall pay, in immediately available funds, to the Lessor the installment of Fixed Rental due on such date plus the amount, if any, by which the Early Termination Value shown on Schedule E hereto, for such Items of Equipment as of such date exceeds the proceeds of such sale net of all costs incurred by the Lessor in connection therewith. On the termination date, the Lessor shall sell to the highest bidder all of the Lessor's rights, title and interest in such Items of Equipment.

Upon payment to the Lessor by the Lessee of the amounts required by this Section 19.1, and payment of all other sums due hereunder, this Lease shall terminate with respect to such Items of Equipment. Whether or not any such difference is payable by the Lessee, the Lessee shall have no right to receive or share in any portion of the proceeds of any sale of such Items of Equipment

pursuant to this Section 19.1. If no bid is received, this Lease shall continue in full force and effect, provided that the Lessee shall have no further right to give notice of termination of this Lease pursuant to this Section 19.1 if the Lessee shall have exercised such right on three prior occasions.

19.2. Optional Termination. In addition to the rights granted to the Lessee pursuant to Section 19.1, so long as the Lessee shall not be in default under this Lease, the Lessee may, upon not less than 180 days' prior irrevocable written notice to the Lessor, terminate this Lease with respect to all, but not less than all, of the Items of Equipment as of January 1, 1998 or as of any succeeding January 1 during the term hereof. Such written notice shall designate the date on which termination is to become effective. On the termination date indicated in such notice, the Lessee shall pay, in immediately available funds, to the Lessor the installment of Fixed Rental due on such date plus an amount equal to the greater of (i) the Fair Market Value of the Equipment (determined in the manner provided in Section 18.3 hereof) or (ii) the amount of any premium for the prepayment of the Notes then required to be paid by the Lessor pursuant to Section 4.1(d) of the Security Agreement plus the Optional Termination Value of the Equipment as of such date shown on Schedule F hereto, and the Lessor shall deliver to the Lessee a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment.

Upon payment to the Lessor by the Lessee of the amounts required by this Section 19.2 and payment of all other sums due hereunder, this Lease shall terminate, except with respect to any rights of the Lessor and duties of the Lessee regarding return of the Equipment as set forth in Section 13.

SECTION 20. COLLATERAL ASSIGNMENT BY LESSEE OF RENTALS UNDER PERMITTED SUBLEASES.

20.1. Assignment. As collateral security for the payment of any and all of the obligations and liabilities of the Lessee due hereunder, the Lessee does hereby grant a security interest in and assigns to the Lessor all of the right, title and interest which it has acquired or may have acquired in all rentals payable or receivable under and pursuant to each and all Permitted Subleases arising from, by virtue of, or in connection with, the Equipment, whether now existing or hereafter entered into, as and only to the extent that any Permitted Sublease relates to the Equipment, including, without limitation the immediate and continuing right to receive all such rental payments now or hereafter payable or receivable pursuant to any Permitted Sublease; it being the intent and purpose hereof that the assignment and transfer to the Lessor of said rights shall be effective and operative immediately and shall continue in full force and effect at all times during the period from and after the date of this Lease until the end of the term of this Lease.

20.2. Rights of Lessee in Permitted Subleases; Segregation of Rental Payments. Notwithstanding any other provision hereof, so long as no Event of Default or any event which with the lapse of time or the giving of notice, or both, would constitute an Event of Default under this Lease shall have occurred and be continuing, the Lessee shall have the right to receive all rentals and other sums payable under any Permitted Subleases; provided, however, that if any such Event of Default or event shall have occurred and be continuing, the Lessee shall (i) receive and retain any rental payments under any Permitted Subleases, all or any portion of which payments are attributable to or receivable with respect to the Equipment or any Item or Items thereof, in trust for the benefit of the Lessor or any assignee pursuant to Section 16 hereof, (ii) deposit any such payment in the original form in which received into a separate account established for such purpose, into which no payments other than those described in clause (i) above shall be deposited, except in the case that the original form of such payment shall include both rentals under any Permitted Sublease attributable to any Item or Items of Equipment and additional rentals not so attributable, then the entire amount of such payment under such Permitted Sublease shall be deposited into such separate account, (iii) remit from such separate account all amounts due and owing to the Lessor in respect of any Item of Equipment, and (iv) only after the full portion required to be remitted to the Lessor pursuant to clause (iii) above shall, at any given time, have been so remitted, remit the balance in such separate account to a general account of the Lessee.

In addition to the rights of the Lessor pursuant to this Section 20, Lessee hereby grants Lessor Lessee's power of attorney to collect in the event of the occurrence of an Event of Default under Section 14.1(a) hereof, all rental payments due Lessee under any Permitted Subleases assigned to Lessor pursuant to Section 20.1 hereof. In such event, upon request, Lessee agrees promptly to furnish Lessor with the names and addresses of all sublessees under Permitted Subleases together with such other information as the Lessor may request. In such event, Lessee agrees to cooperate with Lessor in the notification of all sublessees under Permitted Subleases of such power of attorney and to execute any and all documents reasonably requested by Lessor in connection therewith. All funds collected by Lessor pursuant to such power of attorney shall be deposited and remitted in accordance with subsections (i) through (iv) of this Section 20.2.

The Lessee agrees that any rental payments received under any Permitted Sublease shall be first applied to, and shall be deemed to be payable in respect of, the Items of Equipment which may be leased under such Permitted Sublease, notwithstanding any default or deficiency in such rental payment by the sublessee under such Permitted Sublease.

20.3. Further Assignment. The Lessee acknowledges and agrees that (i) all rights and interests of the Lessor pursuant to this Section 20 may be assigned by the Lessor to any assignee in accordance with Section 16 hereof, and (ii) the assignment provided for in this Section 20 shall not in any way obligate the Lessor or any of its successors or assigns to perform or satisfy any of the obligations or liabilities of the Lessee, under any Permitted Sublease.

20.4. Rights under Uniform Commercial Code. Upon the occurrence of any Event of Default under this Lease, the Lessor shall, in addition to all other rights and remedies provided for herein, have in connection with the assignment provided for in this Section 20, all the rights of a secured party under the Uniform Commercial Code of Illinois (regardless of whether such Code is the law of the jurisdiction where the rights or remedies are asserted).

20.5. Further Assurance. Without limiting the foregoing the Lessee hereby agrees that it will deliver to the Lessor the original executed counterpart of any riders or schedules delivered under any Permitted Subleases in respect of the Equipment or any Item thereof, clearly marked to indicate that such counterpart is the original counterpart for purposes of the Uniform Commercial Code, and shall clearly mark on any multiple executed counterparts of such riders or schedules in its possession that they do not constitute the original counterpart for purposes of the Uniform Commercial Code; provided, the Lessee shall not be required to deliver any such rider or schedule (i) if less than five Items of Equipment are leased thereunder, or (ii) if rail cars other than the Items of Equipment shown on Schedule A hereto are leased thereunder, provided, further, that the Lessee agrees to the extent practicable to establish procedures for the delivery of separate riders or schedules segregating the Items of Equipment from other rail cars which may be leased to any sub-lessee thereunder or where not so segregated, noting the security interest granted hereunder in respect of such Items. The Lessee further covenants that it will, upon the written request of the Lessor execute and deliver such further instruments and do and perform such other acts and things as are necessary to effectively invest in and secure to the Lessor and its assigns the interests assigned pursuant to this Section 20 or other rights or interests due or hereafter to become due.

20.6. Application of Moneys. All distributions and payments to the Lessor shall be applied by the Lessor to the payment and reduction of the obligations and liabilities of the Lessee under this Lease and in accordance with the terms and provisions of the Security Agreement.

20.7. Duration. The satisfaction or discharge of any part of the obligations or liabilities of the Lessee under this Lease shall not in any way satisfy or discharge the assignment provided for in this Section 20, but such assignment shall remain in full force and effect so long as any amount remains unpaid on any such obligations or liabilities.

SECTION 21. INTEREST ON OVERDUE RENTALS AND AMOUNT PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to the higher of (i) 15.875% per annum, or (ii) the Prime Rate plus 2% (or the maximum rate of interest permitted by law, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid. "Prime Rate" shall mean the prime commercial lending rate of The Bank of New York as publicly announced to be in effect from time to time.

SECTION 22. MISCELLANEOUS.

22.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Lessor: The Bank of New York
 48 Wall Street
 New York, New York 10015

Attention: Leasing Department

Payments to the Lessor hereunder
to be made as follows:

by wire transfer of immediately
available funds to The Bank of
New York to General Ledger A/C
No. 1742610 Center No. 0101200
with instructions to notify the
Leasing Department, Reference:
General American Transportation
Corporation upon receipt.

If to the Security
Trustee:

Mercantile-Safe Deposit and
Trust Company
Two Hopkins Plaza
P.O. Box 2258
Baltimore, Maryland 21203

Attention: Corporate Trust
Department

If to the Lessee:

General American Transportation
Corporation
120 South Riverside Plaza
Chicago, Illinois 60606

Attention: Law Department

If to the Note Purchasers:

At the addresses provided
therefor in Schedule 2 to
the Participation Agreement.

or addressed to any such party at such other address as such party shall hereafter furnish to such other parties in writing.

22.2. Right of Lessor to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, either the Lessor or, in the case of an assignment by the Lessor pursuant to Section 16 hereof, the assignee thereunder (including, without limitation, the Security Trustee and the Note Purchaser) may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by any such party and all cost and expense (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the party making the same upon demand as additional rent hereunder, with interest at the rate of the higher of (i) 15.875% per annum, or (ii) the Prime Rate plus 2% (or the maximum rate of interest permitted by law, whichever is less).

22.3. Investment Tax Credit. The Lessor and the Lessee hereby agree that the Lessee will claim any investment tax credit with respect to the purchase price of those Items of Equipment identified in Schedule A hereto as "ITC to Lessee" Items and the Lessor will, upon the written request of the Lessee, file, or cause to be filed, any election necessary to permit such claim; provided that the Lessee shall prepare and deliver to the Lessor for its signature any such election. The Lessor agrees that it will not claim any investment tax credit under section 38 of the Code with respect to the purchase price of said "ITC to Lessee" Items.

22.4. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

22.5. Law Governing. This Lease shall be construed in accordance with the laws of the State of Illinois without regard to principles of conflicts of law; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

22.6. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

22.7. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

22.8. Lessor Furnished Insurance. Without limiting any obligation of the Lessee to maintain insurance in effect pursuant to Section 11.1 hereof, the Lessor may, at its own election and expense, maintain for its own benefit such additional public liability and/or property damage insurance as it shall deem appropriate so long as such insurance shall not impair the enforcement of or collection upon any policies maintained pursuant to said Section 11.1 or adversely affect Lessee's cost of or ability to obtain such policies.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

THE BANK OF NEW YORK

By Robert K. Kohn
Its SVP

GENERAL AMERICAN TRANSPORTATION
CORPORATION

By _____
Its _____

[CORPORATE SEAL]

ATTEST:

Secretary

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

THE BANK OF NEW YORK

By _____
Its _____

GENERAL AMERICAN TRANSPORTATION
CORPORATION

By R. E. Lynch
Its S. V. P.

[CORPORATE SEAL]

ATTEST:

J. H. [Signature]
Assistant Secretary

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

On this 26th day of December, 1984, before me personally appeared Robert E. Keilman, to me personally known, who being by me duly sworn says that he is a Senior Vice President of THE BANK OF NEW YORK, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Colleen T. Joyce
Notary Public
COLLEEN T. JOYCE
Notary Public, State of New York
2-28-85

[NOTARIAL SEAL]

My commission expires: March 30, 1985

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

On this _____ day of December, 1984, before me personally appeared _____ to me personally known, who being by me duly sworn, say that (s)he is the _____ of THE BANK OF NEW YORK, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 27th day of December, 1984, before me personally appeared R. E. LYNCH and JOHN LEVIN, to me personally known, who being by me duly sworn, say that they are the SR. VICE PRESIDENT and ASS'T. SECRETARY, respectively, of GENERAL AMERICAN TRANSPORTATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Randolph L. Toz
Notary Public

[NOTARIAL SEAL]

My commission expires: 7/25/88

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>IDENTIFYING MARKS AND NUMBERS</u>	<u>NUMBER OF CARS</u>	<u>DESCRIPTION</u>	<u>PURCHASE PRICE EACH</u>	<u>TOTAL PURCHASE PRICE</u>	<u>BASIC GROUP</u>
<u>I. TANK CARS</u>					
GATX 26360-26382	23*(1)	DOT105J100-W-1 20,000 Gal. Ethylene Oxide	\$58,901	\$1,354,723	C
GATX 16140	1 *(1)	DOT 111A100-W-1 13,550 Gal. Molten Sulfur	48,935	48,935	D
GATX 22927-22931	5 *(1)	DOT 111A100-W-1 10,750 Gal. Latex	49,634	248,170	B
GATX 21365-21368 and GATX 21373	5 *(1)	DOT 111A100-W-2 13,350 Gal. Sulfuric Acid	45,317	226,585	K
GATX 21380-21397	18 *(1)	DOT 111A100-W-2 13,600 Gal. Sulfuric Acid	42,692	768,456	K
GATX 15521-15525	5 *(1)	DOT 111A100-W-1 17,200 Gal. Sorbitol	46,708	233,540	G
GATX 73735-73744	10 *(1)	DOT 111A100-ALW-2 20,000 Gal. Hydrogen Peroxide	71,948	719,480	J
GATX 17840-17842	3 *(1)	DOT 111A100-W-1 29,200 Gal. Methanol	44,699	134,097	A
GATX 17845-17847	3 *(1)	DOT 111A100-W-1 29,200 Gal. Methanol	46,319	138,957	A
GATX 65716-65738	23 *(1)	DOT 111A100-W-1 10,750 Gal. Methyl Methacrylate	40,741	937,043	B

* ITC to Lessee

(1) Manufactured by General American Transportation Corporation

SCHEDULE A
(to Equipment Lease)

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>IDENTIFYING MARKS AND NUMBERS</u>	<u>NUMBER OF CARS</u>	<u>DESCRIPTION</u>	<u>PURCHASE PRICE EACH</u>	<u>TOTAL PURCHASE PRICE</u>	<u>BASIC GROUP</u>
I. <u>TANK CARS</u> (cont.)					
GATX 16917-16921	5 *(1)	DOT 111A100 -W-1 20,000 Gal. Resin	42,001	210,005	A
GATX 17816-17839	24 *(1)	DOT 111A100-W-1 29,200 Gal. Acrylonitrile	45,762	1,098,288	A
GATX 22001-22062	62 *(1)	DOT 111A100-W-1 14,150 Gal. Clay Slurry	43,417	2,691,854	F
GATX 21104-21112	9*(1)	DOT 111A100-W-1 29,200 Gal. Alcohol	46,024	414,216	A
GATX 21113-21118	6*(1)	DOT 111A100-W-1 29,200 Gal. Diisobutylene	44,419	266,514	A
GATX 11120-11139	20 *(2)	DOT 111A100-W-1 24,640 Gal. Styrene	44,128	882,560	A
GATX 21356-21359	4 *(2)	DOT 111A100-W-2 13,328 Gal. Sulfuric Acid	38,700	154,800	K
GATX 23361-23375	15 *(2)	DOT 111A100-W-1 13,818 Gal. Plasite Lining Clay Slurry	43,291	649,365	F
GATX 16626-16675	50 *(2)	DOT 111A100-W-3 17,252 Gal. Corn Syrup	43,777	2,188,850	G

* ITC To Lessee

(1) Manufactured by General American Transportation Corporation

(2) Manufactured by Trinity Industries, Inc.

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>IDENTIFYING MARKS AND NUMBERS</u>	<u>NUMBER OF CARS</u>	<u>DESCRIPTION</u>	<u>PURCHASE PRICE EACH</u>	<u>TOTAL PURCHASE PRICE</u>	<u>BASIC GROUP</u>
I. <u>TANK CARS</u> (Cont.)					
GATX 18389-18391	3 *(2)	DOT 111A100-W-2 13,328 Gal. Sulfuric Acid	37,810	113,430	K
GATX 16784-16787	4 **(2)	DOT 111A100-W-1 20,580 Gal. Sulfuric Acid	46,137	184,548	K
GATX 17771-17784	14 *(2)	DOT 111A100-1 26,000 Gal. Crude Oil	43,877	614,278	A
GATX 16788-16792	5 **(2)	DOT 111A100-W-1 20,580 Gal. Resins	46,979	234,895	A
GATX 65712-65715	4 **(2)	DOT 111A100-W-1 10,803 Gal. Lithcote Lining Lacquer	49,406	197,624	B
GATX 22063-22092	30 **(2)	DOT 111A100-W-1 13,818 Gal. Talicor Lining Slurry	44,898	1,346,940	F
GATX 16793-16795	3 **(2)	DOT 111A100-W-1 21,000 Gal. Toluene	49,979	140,937	A
GATX 18364-18388	25 **(2)	DOT 111A100-W-2 13,328 Gal Sulphuric	36,813	920,325	K
GATX 17701-17760	60 **(2)	DOT 111A100-W-1 23,150 Gal. Benzene	63,600	3,816,000	I

** ITC to Lessor

**ITC to Lessor

(2) Manufactured by Trinity Industries, Inc.

DESCRIPTION OF ITEMS OF EQUIPMENT

<u>IDENTIFYING MARKS AND NUMBERS</u>	<u>NUMBER OF CARS</u>	<u>DESCRIPTION</u>	<u>PURCHASE PRICE EACH</u>	<u>TOTAL PURCHASE PRICE</u>	<u>BASIC GROUP</u>
<u>I. TANK CARS (Cont.)</u>					
GATX 17848-17867	20 ** (2)	DOT 111A100-W-1 26,000 Gal. Naphtha	40,182	803,640	A
GATX 21248-21252	5 ** (2)	DOT 111A100-W-1 29,200 Gal. Ethanol	42,347	211,735	A
GATX 22123-22127	5 ** (2)	DOT 111A100-W-1 14,150 Gal. Clay Slurry	42,065	210,325	F
GATX 65706-65711	6 * (2)	DOT 111A100-W-1 10,800 Gal. Caustic Soda	43,385	260,310	B
Total Number of Cars		<u>475</u>			
<u>II. COVERED HOPPERS</u>					
ATW 56303-56330	28 * (1)	LO. Airslide 4,566 Cu. Ft. Flour	\$50,652	\$1,418,256	L
ATW 56331-56335	5 * (1)	LO. Airslide 4,566 Cubic Ft. Flour	50,549	252,745	L
Total Number of Cars		<u>33</u>			

*ITC to Lessee

**ITC to Lessor

(1) Manufactured by General American Transportation Corporation

(2) Manufactured by Trinity Industries, Inc.

BASIC GROUPS OF RAILCARS INCLUDED
IN GATC LEVERAGED LEASE, 1984-1

- A. General Service "Jumbo" Carbon Steel Cars
- B. General Service "Small" Carbon Steel Cars
- C. High Pressure Specialized Car
- D. Non-Pressure Specialized Car - Molten Sulphur
- E. Non-Pressure Specialized Car - Caustic Soda
- F. Non-Pressure Specialized Car - Slurry
- G. Non-Pressure Specialized Car - Corn Syrup
- H. Intentionally omitted
- I. TankTrain ® - Unlined general service type
- J. Aluminum Specialized Car
- K. Specialized Acid Type Cars, Unlined
- L. Freight Cars (Airslide)

CERTIFICATE OF ACCEPTANCE
UNDER EQUIPMENT LEASE

TO: THE BANK OF NEW YORK
(the "Lessor")

I, a duly appointed and authorized representative of GENERAL AMERICAN TRANSPORTATION CORPORATION (the "Lessee") under the Restated and Amended Equipment Lease dated as of December 20, 1984 between the Lessor and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery under the Lease of the following Items of Equipment:

TYPE OF EQUIPMENT:

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF UNITS:

MARKED AND NUMBERED:

I do further certify that the foregoing Items of Equipment are in good order and condition, and conform to the specifications applicable thereto, that there is no defect in any of the foregoing Items of Equipment with respect to design, manufacture, condition or in any other respect, and that each Item has been labeled by means of a plate or a stencil printed in contrasting colors upon each side of the Item in letters not less than one inch in height as follows:

"TITLE TO THIS CAR IS VESTED IN A TRUSTEE UNDER
AN EQUIPMENT TRUST AGREEMENT RECORDED UNDER
SECTION 11303 (FORMERLY 20C) OF THE INTERSTATE COMMERCE
ACT OR VESTED IN ANOTHER PERSON OR ENTITY AND SO RECORDED;"

The execution of this Certificate will in no way relieve or decrease the responsibility of Trinity Industries, Inc., as manufacturer, for any warranties it has made with respect to the Equipment.

Dated: _____, 1984

Inspector and Authorized
Representative of the Lessee

(GATC No. 84-1)

LEASE SUPPLEMENT NO. 1

This LEASE SUPPLEMENT NO. 1, dated as of _____, between THE BANK OF NEW YORK, a New York banking corporation (the "Lessor"), and GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (the "Lessee");

WITNESSETH:

The Lessor and the Lessee have heretofore entered into that certain Restated and Amended Equipment Lease dated as of December 20, 1984 (the "Lease"). The terms used herein are used with the meanings specified in the Lease).

The Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for, among other things, the purpose of confirming any change in Fixed Rentals, Casualty Value, Early Termination Value and Optional Termination Value.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. Section 2.1(a) of the Lease is hereby amended to read in full as follows:

"(a) Fixed Rental. For each Item of Equipment, the Lessee shall pay to the Lessor 40 semiannual installments of fixed rental (the "Fixed Rental") payable in arrears, the first through twentieth installments, both inclusive, each in an amount equal to _____% of the Purchase Price thereof, and the twenty-first through fortieth installments,, both inclusive, each in an amount equal to _____% of the Purchase Price thereof."

2. Schedules D, E and F to the Lease, showing Casualty Values, Early Termination Values and Optional Termination Values, are hereby amended to read in full as attached hereto.

3. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Restated and Amended Equipment Lease dated as of December 20, 1984" or the "Lease dated as of December 20, 1984" without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement unless the context shall otherwise require.

4. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease, except as herein modified, shall be and remain in full force and effect.

SCHEDULE C
(to Equipment Lease)

5. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed as of the day and year first above written and to be delivered as of the date first above written.

THE BANK OF NEW YORK

By _____
Its _____

[SEAL]
TRANSPORTATION

GENERAL AMERICAN
CORPORATION

ATTEST:

By _____
Its _____

Its _____ Secretary

Consented to as of the date first above written.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY
as Security Trustee

By _____
Its _____

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

On this _____ day of _____, 198_, before me personally appeared _____, to me personally known, who being by me duly sworn, says that (s)he is the _____ of THE BANK OF NEW YORK, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this _____ day of _____, 198_, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, says that they are the _____ and _____ of GENERAL AMERICAN TRANSPORTATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires:

SCHEDULE OF CASUALTY VALUE

The Casualty Value for an Item of Equipment payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

<u>Term Lease Commencement Date or Fixed Rental Payment Date on which Casualty Value is Paid</u>	<u>Percentage of Purchase Price Payable as Casualty Value</u>	
	<u>ITC to Lessee Units</u>	<u>ITC to Lessor Units</u>
Term Lease Commencement Date	95.84583	105.77740
July 1, 1985	95.84583	105.77740
January 1, 1986	98.38783	106.33309
July 1, 1986	101.28603	109.23128
January 1, 1987	102.95338	108.91232
July 1, 1987	105.23151	111.19045
January 1, 1988	106.13556	110.10819
July 1, 1988	107.90139	111.87402
January 1, 1989	108.12065	110.10697
July 1, 1989	109.34069	111.32700
January 1, 1990	108.96750	108.96750
July 1, 1990	109.74277	109.74277
January 1, 1991	108.86948	108.86948
July 1, 1991	109.25104	109.25104
January 1, 1992	107.85365	107.85365
July 1, 1992	107.80653	107.80653
January 1, 1993	105.86502	105.86502
July 1, 1993	105.35116	105.35116
January 1, 1994	102.84978	102.84978
July 1, 1994	101.84069	101.84069
January 1, 1995	99.13635	99.13635
July 1, 1995	96.87850	96.87850
January 1, 1996	93.00905	93.00905
July 1, 1996	90.52731	90.52731
January 1, 1997	86.54752	86.54752
July 1, 1997	83.82712	83.82712
January 1, 1998	79.72959	79.72959
July 1, 1998	76.75558	76.75558

SCHEDULE D
(to Equipment Lease)

Term Lease Commencement Date
or Fixed Rental
Payment Date on which
Casualty Value is Paid

Percentage of Purchase
Price Payable as
Casualty Value

	ITC to Lessee Units	ITC to Lessor Units
January 1, 1999	72.53240	72.53240
July 1, 1999	69.28902	69.28902
January 1, 2000	64.93184	64.93184
July 1, 2000	61.40242	61.40242
January 1, 2001	56.90240	56.90240
July 1, 2001	53.06934	53.06934
January 1, 2002	48.41716	48.41716
July 1, 2002	44.26185	44.26185
January 1, 2003	39.44765	39.44765
July 1, 2003	34.95044	34.95044
January 1, 2004	29.96380	29.96380
July 1, 2004	25.10393	25.10393
January 1, 2005	20.00000	20.00000

* as shown on Schedule A hereto.

SCHEDULE OF EARLY TERMINATION VALUE

The Early Termination Value for an Item of Equipment payable on July 1, 1998 or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

<u>Fixed Rental Payment Date on which Early Termination Value is Paid</u>	<u>Percentage of Purchase Price Payable as Casualty Value</u>
January 1, 1998	76.75558
July 1, 1998	72.53240
January 1, 1999	69.28902
July 1, 1999	64.93184
January 1, 2000	61.40242
July 1, 2000	56.90240
January 1, 2001	53.06934
July 1, 2001	48.41716
January 1, 2002	44.26185
July 1, 2002	39.44765
January 1, 2003	34.95044
July 1, 2003	29.96380
January 1, 2004	25.10393
July 1, 2004	20.00000

SCHEDULE OF OPTIONAL TERMINATION VALUE

The Optional Termination Value for an Item of Equipment payable on July 1, 1998 or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

<u>Fixed Rental Payment Date on which Early Termination Value is Paid</u>	<u>Percentage of Purchase Price Payable as Casualty Value</u>
January 1, 1998	76.75558
July 1, 1998	72.53240
January 1, 1999	69.28902
July 1, 1999	64.93184
January 1, 2000	61.40242
July 1, 2000	56.90240
January 1, 2001	53.06934
July 1, 2001	48.41716
January 1, 2002	44.26185
July 1, 2002	39.44765
January 1, 2003	34.95044
July 1, 2003	29.96380
January 1, 2004	25.10393
July 1, 2004	20.00000